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Area's first 'lifestyle center' to open in March

By: Dave Gardner

Northeastern Pennsylvania (NEPA) will soon join more than 140 urban areas across the nation that have access to shopping via a "lifestyle center" format.

The new facility, scheduled to open during March of 2007, has been named the Shoppes at Montage. The 52-acre, 316,000-square-foot complex, located directly off Route 81 at the Montage exit, will feature more than 70 retailers.

The overall project is a joint venture between Jeffrey R. Anderson Real Estate of Cincinnati and Duke Realty Corporation of Indianapolis.

Anderson brings to the partnership an expertise in leasing, development, tenant coordination and ongoing property management, along with a successful track record in the lifestyle retail format. Duke and its subsidiaries are responsible for project financing and construction.

The lifestyle center system includes - in addition to the various retailers - gathering spots, wide sidewalks and convenient parking in close proximity to individual stores. This format, with environment, architecture and landscaping, is similar to what exists in many other Anderson-developed lifestyle centers.

"We are already 90 percent leased," says Mark Fallon, Anderson's vice president of real estate. "Interest has been high, and the location and the development have been well received."

Development of the center did experience a few bumps, but these seem to have cleared. A lawsuit by competitive NEPA retail centers and malls, geared to stop development of the facility, has been dismissed, according to Joe Dente, vice president of Moosic borough council.



Construction continues on The Shoppes at Montage.

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Upscale retail

"We are thrilled to bring our successful lifestyle center shopping format to the Scranton and Wilkes-Barre area," said J.R. Anderson, director of development for Anderson. "As with our other successful lifestyle center developments, we believe the upscale retailers and restaurants set amid abundant landscaping and rich architectural detail will address a retail void in the NEPA market."

According to Tracy Nemenz, marketing director for Anderson, anchor stores for the Shoppes at Montage are The Christmas Tree Shops, DSW Shoe Warehouse and the Guitar Center.

Upscale fashion retailers joining the center include Talbots, Chico's, Coldwater Creek, Ann Taylor Loft, J. Jill, Acorn, Eddie Bauer, GAP, Victoria's Secret, Lane Bryant/Cacique, Famous Footwear, Joseph Bank Clothiers, Olympia Sports, Children's Place, Justice, Hot Topic, American Eagle and PacSun. Specialty stores include Aveda, Yankee Candle, Hallmark, Bath & Body Works, Kay Jewelers, Claire's, Cingular, Select Comfort and Sprint.

Restaurants and eateries include Kildare's Irish Pub, Longhorn Steakhouse, Starbucks, Maggie Moo's Ice Cream, The Gourmet Slice, Panera Bread, Beriyo by TCBY and several others to be announced.

Modern format

Patrice Duker, manager of media relations for the International Council of Shopping Centers (ICSC) in New York, explains that lifestyle centers have been around since the 1930s and 1940s. The system is pedestrian friendly, delivering an upscale tenant mix with shopping, dining and entertainment.

"In 1988, the first modern lifestyle center was opened in Tennessee," says Duker. "The last 10 years have been big for lifestyle center developers, and there are now more than 140 across the nation. Since 2000, we're seeing this format developed much more than enclosed malls, which were big in the 1970s and in subsequent decades when mall development was big."

Duker calls shopping at a lifestyle center a very destination-oriented trip, where consumers help create a lifestyle for themselves. Shoppers can park close to the store of their choice, and visit two or three "shoppes" usually within one hour or less.

She cites statistics that indicate the average apparel-based shopping trip to an enclosed mall takes 81.5 minutes. This places each retail format into a different category in the mind of shoppers.

"We've found that consumers like both formats, and our research indicates lifestyle centers can be a compliment to enclosed malls," says Duker. "During 2005, at enclosed malls, consumers continued to make three trips per month, even when a lifestyle center had been constructed."

Duker says that, when a lifestyle center opens in an area, the new format initially has a competitive advantage over existing retailers as consumers investigate the new stores. However, this advantage eventually wanes as each retail format achieves its individual niche in the market.

"Weather can be a factor for lifestyle centers versus enclosed malls," adds Duker. "Consumers ultimately decide what will work in a given

climate or region."

Nemenz adamantly proclaims that the Shoppes at Montage are not a factory outlet center, such as that located in Tannersville. She draws attention to distinct campus flavor at other Anderson-developed lifestyle centers, along with the upscale tenant mix.

Nemenz also gives ample credit for development of the Shoppes at Montage to James McDonough of Glenmaura.

"He has been the driving force behind development of the Montage Mountain," says Nemenz. "Lackawanna County was also involved. Our company is very much aware of the economic progress on Montage Mountain, such as the Sno Mountain acquisition and the move of the Yankees to the baseball stadium."

Market evolution

Nemenz comments that Anderson identified a gap in the NEPA retail market, which caused Scranton-area consumers to shop elsewhere. The gap was particularly acute in the upscale fashion arena, particularly in women's wear.

She also states that the delivery system of the lifestyle center format has been tailored to busy adults.

"Today we're all running around like crazy, especially in homes with two working parents," says Nemenz. "We are suffering from time-poverty. Because of this, we believe people just can't spend three to four hours going to a conventional enclosed mall."

Nemenz comments that the lifestyle center format addresses the personal-time squeeze. Shoppers can park close to their shopping destination, and each store has an individual entrance allowing shoppers to "run in," buy and leave, thereby saving time.

"This is a format that better addresses how we're living our lives," says Nemenz. "Trends indicate how lifestyle centers have become a preferred shopping format because of a better conversion ratio from conventional malls. We get buyers, not browsers, creating a more efficient environment for the retailer."

The lifestyle center has been regarded as a bit risky by some developers. Nemenz explains that, five to six years ago, no one was sure this format would work in northern climates.

"But, we're finding convenience wins," says Nemenz. "There are no new malls currently going up, according to the ICSC. Lifestyle centers are the format that works for today's consumer."

Another competitive advantage identified by Nemenz is that the lifestyle center atmosphere matches social trends. She says women, who make 80 percent of all retail expenditures, feel safer in these centers, in part because there is no remote parking garage.

"The Shoppes at Montage project is a testament to the real growth that is occurring in the Scranton and Wilkes-Barre area," adds Nemenz.

"There is outside investment by people looking at this area, and the growth in the region is obvious."

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